

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SONTERRA CAPITAL MASTER FUND, LTD.,
HAYMAN CAPITAL MANAGEMENT, L.P., AND
CALIFORNIA STATE TEACHERS' RETIREMENT
SYSTEM, on behalf of themselves and all others
similarly situated,

Plaintiffs,

v.

UBS AG, UBS SECURITIES JAPAN CO. LTD.,
MIZUHO BANK, LTD., THE BANK OF TOKYO-
MITSUBISHI UFJ, LTD., THE SUMITOMO
TRUST AND BANKING CO., LTD., THE
NORINCHUKIN BANK, MITSUBISHI UFJ TRUST
AND BANKING CORPORATION, SUMITOMO
MITSUI BANKING CORPORATION, RESONA
BANK, LTD., J.P. MORGAN CHASE & CO.,
JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, J.P. MORGAN SECURITIES PLC,
MIZUHO CORPORATE BANK, LTD., DEUTSCHE
BANK AG, DB GROUP SERVICES UK LIMITED,
MIZUHO TRUST AND BANKING CO., LTD., THE
SHOKO CHUKIN BANK, LTD., SHINKIN
CENTRAL BANK, THE BANK OF YOKOHAMA,
LTD., SOCIÉTÉ GÉNÉRALE SA, THE ROYAL
BANK OF SCOTLAND GROUP PLC, THE
ROYAL BANK OF SCOTLAND PLC, RBS
SECURITIES JAPAN LIMITED, RBS SECURITIES
INC., BARCLAYS BANK PLC, BARCLAYS PLC,
BARCLAYS CAPITAL INC., CITIBANK, NA,
CITIGROUP, INC., CITIBANK, JAPAN LTD.,
CITIGROUP GLOBAL MARKETS JAPAN, INC.,
COÖPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., HSBC HOLDINGS
PLC, HSBC BANK PLC, LLOYDS BANKING
GROUP PLC, LLOYDS BANK PLC, ICAP PLC,
ICAP EUROPE LIMITED, R.P. MARTIN
HOLDINGS LIMITED, MARTIN BROKERS (UK)
LTD., TULLETT PREBON PLC, BANK OF
AMERICA CORPORATION, BANK OF
AMERICA, N.A., MERRILL LYNCH
INTERNATIONAL, AND JOHN DOES NOS. 1-50,

Defendants.

Docket No. 15-cv-05844-GBD

DECLARATION OF KEVIN P. McKENDRY

KEVIN P. McKENDRY declares as follows pursuant to 28 U.S.C. § 1746:

1. I am the Senior Partner, Structural Reform, and a member of the North America Legal Department of Lloyds Bank plc, formerly known as Lloyds TSB Bank plc (“Lloyds Bank”), and of Bank of Scotland plc. Prior to January 1, 2016, my title was Chief Legal Officer, North America, and from April 1, 1982 until year-end 2015, I managed the North America legal department of Lloyds Bank. I am authorized to make this declaration on behalf of defendants Lloyds Banking Group plc (“LBG”) and Lloyds Bank, and submit this declaration in support of their motion, pursuant to Rule 12(b)(2) of the Federal Rules of Civil Procedure, to dismiss the amended class action complaint in the above-captioned action against LBG and Lloyds Bank for lack of personal jurisdiction. The facts stated herein are true based on my own personal knowledge and my review of records maintained in the regular course of business by LBG or its subsidiaries.

2. Defendant LBG is, and at all relevant times since its formation has been, a corporation organized and existing under the laws of Scotland. The registered office of LBG is located at The Mound, Edinburgh EH1 1YZ, Scotland (company registration number SC95000) and its principal place of business is in the United Kingdom. Prior to January 2009, LBG was known as Lloyds TSB Group plc (“LTSB Group”). In January 2009, substantially simultaneously with its acquisition of 100% of the ordinary shares of HBOS plc, LTSB Group changed its name to LBG.

3. LBG is a non-operational holding company for companies engaged in the banking and insurance businesses, which operate predominantly in the United Kingdom. The

Government of the United Kingdom, through Her Majesty's Treasury, currently owns a minority (fewer than 10%) of the ordinary shares of LBG's stock.

4. Defendant Lloyds Bank, a subsidiary of LBG, is, and at all relevant times has been, a corporation organized and existing under the laws of England and Wales with its principal place of business in the United Kingdom.

5. The principal regulators of LBG and Lloyds Bank are the Prudential Regulation Authority and the Financial Conduct Authority, both of the United Kingdom.

6. The business of Lloyds Bank and LBG's other subsidiaries is overwhelmingly centered in the United Kingdom. For example, according to its 2014 Annual Report, available at http://www.lloydsbankinggroup.com/globalassets/documents/investors/2014/2014_lbg_annual_report.pdf, LBG, through its operating subsidiaries, "is a leading provider of financial services to individual and business customers in the UK" and LBG's subsidiaries operate the "largest branch network in the UK." *See* 2014 Annual Report, at "Contents" page, unnumbered. Lloyds Bank and LBG's other banking subsidiaries comprise a "UK centric retail and commercial bank." *Id.* at 10. LBG subsidiaries operate more than 2,200 bank branches across the United Kingdom. *Id.* at 2. LBG does not maintain any offices in the United States.

7. Lloyds Bank has a single branch in the United States, in New York.

8. Because the business of Lloyds Bank and LBG's other subsidiaries is so heavily centered in the United Kingdom, LBG does not present in its annual report segment analysis by geography. *See* 2014 Annual Report at 206 ("Following the continuing reduction in the Group's non-UK activities, an analysis between UK and non-UK activities is no longer provided."). In 2012, the last year for which LBG presented this data, approximately 89% of its total assets were

in the United Kingdom and over 94% of its total income was earned there. *See* 2012 Annual Report at 234, available at http://www.lloydsbankinggroup.com/globalassets/documents/investors/2012/2012_lbg_randa_interactive.pdf. In none of the past five years has any country other than the United Kingdom contributed more than 5% of either total assets or income of LBG and its subsidiaries. The total combined assets of the United States operations of LBG and its subsidiaries amount to less than 2% of their total worldwide assets. *See* Federal Reserve Form Y-7Q (“The Capital and Asset Report for Foreign Banking Organizations”) for the fiscal quarter ending September 30, 2015, dated December 16, 2015, on file with the Federal Reserve Bank of New York.

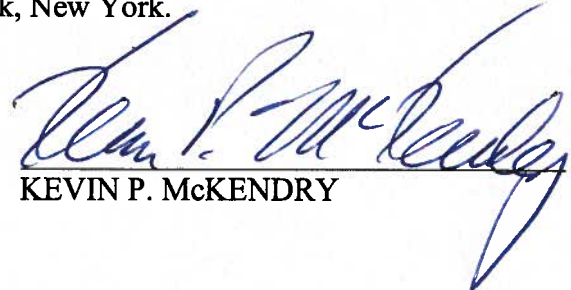
9. As reported in LBG’s 2014 Form 20-F, as of December 31, 2014, LBG and its subsidiaries employed nearly 85,000 people, calculated on a full-time equivalent (“FTE”) basis, worldwide; 99% of them (i.e., all but 795) are based in the UK. *See* 2014 Form 20-F at 136–37. As of December 31, 2015, only 336 people in the United States, calculated on an FTE basis, were employed by LBG subsidiaries. That represents approximately 4/10 of one percent of the total number of employees of LBG and its subsidiaries worldwide.

10. During the period relevant to the above-captioned action, LBG (as a holding company) was never a member of the panel of banks making submissions of British Bankers Association Japanese Yen (“Yen”) London Interbank Offered Rates (“LIBOR”)—i.e., the BBA’s Yen LIBOR Contributor Panel. Lloyds Bank was a member throughout the alleged Class Period. All of the individuals who made, or had input into the making of, the Yen LIBOR submissions on behalf of Lloyds Bank were then employed in the United Kingdom, and those submissions were made from London. At no time did any U.S.-based employees make or have any input into

the Yen LIBOR submissions (or LIBOR submissions in any other currency) of Lloyds Bank. Neither the New York branch of Lloyds Bank nor any other U.S.-based office of any entity that is or was a direct or indirect subsidiary of LBG has, or at any relevant time had, any responsibility for determining or making Yen LIBOR submissions.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 29, 2016, at New York, New York.



KEVIN P. McKENDRY